



JOHN CHIANG
California State Controller

August 15, 2013

Robert J. Voors, Ed.D., Superintendent
Glendora Unified School District
500 N. Loraine Avenue
Glendora, CA 91741

Dear Dr. Voors:

The State Controller's Office reviewed the costs claimed by Glendora Unified School District for the legislatively mandated Standardized Testing and Reporting (STAR) Program (Chapter 828, Statutes of 1997) for the period of July 1, 2001, through June 30, 2003. Our review was limited to ensuring that the California Department of Education STAR Program apportionment was properly offset.

The district claimed \$138,396 for the mandated program. Our review found that \$118,984 is allowable and \$19,412 is unallowable. The costs are unallowable because the district did not report any offsetting reimbursements, as described in the attached Summary of Program Costs, and the Finding and Recommendation.

For the fiscal year (FY) 2001-02 claim, the State paid the district \$86,575 from funds appropriated under Chapter 724, Statutes of 2010. Our review found that \$76,666 is allowable. The State will apply \$9,909 against any balances of unpaid mandated-program claims due the district as of October 19, 2010.

For the FY 2002-03 claim, the State made no payment to the district. Our review found that \$42,318 is allowable. The State will pay that amount, contingent upon available appropriations.

We informed John Ziegenhohn, Director of Fiscal Services, of the review results via email on July 29, 2013. Mr. Ziegenhohn called to request information regarding the statute of limitations, but did not provide a response to the finding.

If you disagree with the review finding, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's website at www.csm.ca.gov/docs/IRCForm.pdf.

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, by telephone at (916) 323-5849.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

Attachments

RE: S13-MCC-957

cc: Marc Chaldu, Assistant Superintendent, Business Services
Glendora Unified School District
John Ziegenhohn, Director of Fiscal Services
Glendora Unified School District
Arturo Delgado, Ed.D., County Superintendent of Schools
Los Angeles County Office of Education
Scott Hannan, Director, School Fiscal Services Division
California Department of Education
Carol Bingham, Director, Fiscal Policy Division
California Department of Education
Thomas Todd, Assistant Program Budget Manager
Education Systems Unit, California Department of Finance
Jay Lal, Manager
Division of Accounting and Reporting
State Controller's Office

Attachment 1— Summary of Program Costs July 1, 2001, through June 30, 2003

Cost Elements	Actual Costs Claimed	Allowable per Review	Review Adjustment ¹
<u>July 1, 2001, through June 30, 2002</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 21,478	\$ 21,478	\$ —
Pre-test and post-test coordination	8,998	8,998	—
Test administration	22,298	22,298	—
Reporting and recordkeeping	24,314	24,314	—
Total salaries and benefits	77,088	77,088	—
Materials and supplies:			
Training, policies, and procedures	200	200	—
Reporting and recordkeeping	2,933	2,933	—
Total materials and supplies	3,133	3,133	—
Total direct costs	80,221	80,221	—
Indirect costs	6,354	6,354	—
Total direct and indirect costs	86,575	86,575	—
Less offsetting reimbursements	—	(9,909)	(9,909)
Total program cost	\$ 86,575	76,666	\$ (9,909)
Less amount paid by the State ²		(86,575)	
Allowable costs claimed in excess of (less than) amount paid		\$ (9,909)	
<u>July 1, 2002, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 4,190	\$ 4,190	\$ —
Pre-test and post-test coordination	28,194	28,194	—
Test administration	598	598	—
Reporting and recordkeeping	11,536	11,536	—
Total salaries and benefits	44,518	44,518	—
Materials and supplies:			
Training, policies, and procedures	651	651	—
Reporting and recordkeeping	2,766	2,766	—
Total materials and supplies	3,417	3,417	—
Total direct costs	47,935	47,935	—
Indirect costs	3,886	3,886	—
Total direct and indirect costs	51,821	51,821	—
Less offsetting reimbursements	—	(9,503)	(9,503)
Total program cost	\$ 51,821	42,318	\$ (9,503)
Less amount paid by the State		—	
Allowable costs claimed in excess of (less than) amount paid		\$ 42,318	

Attachment 1 (continued)

<u>Cost Elements</u>	<u>Actual Costs Claimed</u>	<u>Allowable per Review</u>	<u>Review Adjustment ¹</u>
<u>Summary: July 1, 2001, through June 30, 2003</u>			
Direct costs:			
Salaries and benefits:			
Training, policies, and procedures	\$ 25,668	\$ 25,668	\$ —
Pre-test and post-test coordination	37,192	37,192	—
Test administration	22,896	22,896	—
Reporting and recordkeeping	35,850	35,850	—
Total salaries and benefits	121,606	121,606	—
Materials and supplies:			
Training, policies, and procedures	851	851	—
Reporting and recordkeeping	5,699	5,699	—
Total materials and supplies	6,550	6,550	—
Total direct costs	128,156	128,156	—
Indirect costs	10,240	10,240	—
Total direct and indirect costs	138,396	138,396	—
Less offsetting reimbursements	—	(19,412)	(19,412)
Total program cost	<u>\$ 138,396</u>	118,984	<u>\$ (19,412)</u>
Less amount paid by the State		(86,575)	
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 32,409</u>	

¹ See Attachment 2, Finding and Recommendation.

² Payment from funds appropriated under Chapter 724, Statutes of 2010 (Assembly Bill No. 1610).

Attachment 2— Finding and Recommendation July 1, 2001, through June 30, 2003

**FINDING—
Unreported offsetting
reimbursements**

The district did not report offsetting reimbursements, totaling \$19,412, because it did not report any of the Standardized Testing and Reporting (STAR) Program apportionments received from the California Department of Education (CDE) for the review period.

On August 24, 2000, the Commission on State Mandates (CSM) adopted the statement of decision for the STAR Program. The CSM determined that Chapter 828, Statutes of 1997, and the implementing regulations at Title 5, *California Code of Regulations*, sections 850 through 904, imposed a state mandate upon school districts reimbursable under Government Code section 17561, commencing October 10, 1997.

The program's parameters and guidelines establish the state mandate and define the reimbursement criteria. The CSM adopted the parameters and guidelines on January 24, 2002. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist school districts in claiming mandated program reimbursable costs.

On reconsideration by Statutes of 2004, Chapter 216, section 34; and Statutes of 2004, Chapter 895, section 19, the CSM found that effective July 1, 2004, many of the reimbursable activities were either federally mandated or no longer required, and thus were not reimbursable. Accordingly, the CSM deleted references to the non-reimbursable activities and renamed the program to the National Norm-Referenced Achievement Test Program effective July 1, 2004. This latter program has been suspended since September 30, 2008.

The parameters and guidelines for the STAR Program (section VII) state:

Any offsetting savings the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate received from any source, including but not limited to, services fees collected, federal funds and other state funds shall be identified and deducted from the claim.

Education Code section 60640, subdivision (h)(1), specifies that the State Superintendent of Public Instruction shall apportion funds to school districts to enable them to administer the tests within the STAR Program. For the review period, we determined that the district received \$31,063 from the CDE.

We determined the amount that should have been offset by multiplying the total CDE apportionment by the reimbursable mandate percentages, which are based on test results published on the CDE STAR website. The district administered the following STAR tests during the review period: California Standards Test (CST); Stanford Achievement Test, Ninth Edition (SAT-9); California Achievement Test, Sixth Edition Survey (CAT/6); Spanish Assessment of Basic Education, Second

Edition (SABE/2); and the California Alternate Performance Assessment (CAPA). The CST and CAPA tests are not reimbursable because they were not pled in the test claim that created this mandate.

Based on the CDE's published test results, the reimbursable mandate percentages are as follows: 64.05% for fiscal year (FY) 2001-02 and 60.95% for FY 2002-03.

The following table summarizes the unreported offsetting reimbursement calculation for the review period:

	Fiscal Year		Total
	2001-02	2002-03	
STAR Program Apportionments:			
CDE apportionments	\$ (15,471)	\$ (15,592)	<u>\$ (31,063)</u>
Mandate-related percentage	<u>64.05%</u>	<u>60.95%</u>	
Mandate-related apportionment	(9,909)	(9,503)	(19,412)
Less offset CDE apportionment	<u>—</u>	<u>—</u>	<u>—</u>
Review adjustment	<u>\$ (9,909)</u>	<u>\$ (9,503)</u>	<u>\$ (19,412)</u>

Recommendation

We recommend that the district ensure that all applicable reimbursements are offset against mandated program costs.